

MAA's Decision to Change

Current Reporting Requirement: The current method for collecting Encounter Data is in a proprietary Washington-specific format. Each Managed Care Organization (MCO) submits a quarterly data file. The data is not processed through the Medicaid Management Information System (MMIS). Rather, the MMIS vendor ACS processes the Encounter Data through a program that edits against eligibility, diagnosis and procedure coding and the provider master file. MAA's Encounter Data Unit then reviews the data for formatting accuracy and validity.

Changing the Format: Beginning July 1, 2004, with the first report due January 1, 2005, MAA will require MCOs to provide encounter records to reflect the services that have been provided to MAA clients using the National Electronic Data Interchange (EDI) ASC X12N 837P and 837I format. In addition, the National Council for Prescription Drug Programs (NCPDP) 1.1 format will be required for pharmacy encounters, with an implementation date yet to be determined.

Reasons for the Change: Encounter data is central to identifying the scope and amount of health care services received by Healthy Options, SCHIP and Basic Health Plus enrollees in Washington. It supports rate setting, risk adjustment studies and federal and state reporting.

- The *goal of the standardized format* is to facilitate data transfer and data processing, and to provide a common format for data storage and analysis activities. The standard interchange format introduces efficiencies in data processing, data handling, and data analysis activities;
- In order to *understand the totality of a client's benefits package and the total utilization and costs per client*, systems nationwide should use the same format and identifiers to facilitate comparison. HIPAA introduced standard codes and provided a standard format to facilitate data exchange. Managers and members will benefit when the data can be transformed into meaningful information in a standard format across data sets;
- Conversion to the national EDI format will enable comparison of Washington's experience with other states. Many states have moved their encounter data collection process to the standard ASC X12N 837 and NCPDP formats. A standard data format *supports the needs of a wide base of potential users*;
- The standard format supports the *generation of required federal and state reports*;
- *Rate development and risk adjustment studies* rely on encounter data. The standard format supports the comparison of fee-for-service and managed care experience;
- Quality of care monitoring and Quality of Care studies will benefit from the use of a standard format across states. The federal government is beginning to examine additional methodologies for reporting quality of care. The standard data format will more closely support those methods;

- Conversion provides a common format with the flexibility to change or add standard data elements as needs change.
- Conversion responds to long-term efficiencies. While it is recognized that there are initial conversion costs, efficiencies and streamlining introduced by the utilization of a single format for health care reporting are expected to be realized long into the future.